The Reassessment of Guideshare Funding in South Carolina

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In order to provide adequate, safe, and efficient transportation services for the movement of people and goods in South Carolina, the South Carolina Department of Transportation (SCDOT) needs a transparent funding process that addresses the greatest infrastructure needs. Currently, SCDOT allocates $138,000,000, based on population, to the urban and rural areas of the state, for system upgrade projects. The funding is divided amongst twenty-one entities, so no one region receives enough of an allocation to address the transportation needs for their area. Therefore, safety improvement and traffic congestion reduction needs remain unmet throughout the state.

At the core of identifying transportation needs is the transportation planning process. SCDOT is responsible for transportation planning and the allocation of federal funds; however, the planning process is a cooperative effort between SCDOT, Metropolitan Planning Organizations (MPO), and Councils of Governments (COG). An MPO is designated for urbanized areas with populations greater that 50,000 people as determined by the U.S. Census Bureau (Legal Information Institute). MPOs are comprised of local government representatives and transportation authorities to establish a local forum for transportation decision making. MPOs are required to solicit public participation, develop and update long-range transportation plans, and develop a Transportation Improvement Program. In addition, they must define the Study Area Boundary for their region which is the urbanized area, as defined by the Census Bureau, plus the areas that are expected to become urbanized over the coming 20-year period. Currently, there are eleven MPOs in South Carolina: Anderson Area Transportation Study (ANATS), Augusta Regional Transportation Study (ARTS), Charleston Area Transportation Study (CHATS), Columbia Area Transportation Study (COATS), Florence Area Transportation Study (FLATS), Greenville-Pickens Area Transportation Study (GPATS), Grand Strand Area

Transportation Study (GSATS), Lowcountry Area Transportation Study (LATS), Rock Hill-Fort Mill Area Transportation Study (RFATS), Spartanburg Area Transportation Study (SPATS), and the Sumter Area Transportation Study (SUATS). MPOs with populations greater than 200,000 people are further designated as a Transportation Management Area (TMA) and have additional requirements such as the development of a Congestion Management Plan. In South Carolina, the MPOs that are also designated as TMAs are ARTS, CHATS, COATS, GPATS, GSATS, and RFATS. Similar to the MPOs, COGs are regional forums that allow local governments to come together and address regional needs such as infrastructure and economic development. In 1997, SCDOT began coordinating with the COGs to plan for rural transportation needs. A map depicting the MPOs and COGs in South Carolina can be found in Appendix A.

Prior to 1994, the SCDOT Commission allocated funding to MPOs using a per capita share of the urbanized Census population and these allocations were termed "guideshares". In 1994, the Study Area Population was applied to the per capita share for the urban allocation and populations outside the MPO Study Area Boundaries were applied to the per capita share for the rural allocation. Later, in 1997, the Commission adopted a new structure for the upgrade program to include allocations to COGs. The funding for the System Upgrade Program was set at $114,486,000 and used the 1990 Census population as a basis for the calculation. So, $114,486,000 divided by the 1990 South Carolina population (3,486,703 people) established a $32.83 per capita share. After the release of the 2000 Census data, there was some discussion amongst the SCDOT, MPOs, and COGs regarding the formula. The coastal areas of the state claimed that the population based formula did not take into consideration the seasonal tourist influx and corresponding traffic congestion that is associated with it. After years of discussion, the SCDOT Commission approved a guideshare funding increase in 2010 from $114 million to

$148 million. At that time, the distribution formula was changed to weight half of the score based on study area population and half of the score based on vehicle miles traveled. In 2012, guideshare funding was reduced from $148 million to $138 million due to lower federal appropriations from passage of the Moving Ahead for Progress in the 21st Century (MAP-21). After some research of the funding formula, the inclusion of vehicle miles traveled to the equation did not make much difference in the allocation of dollars but was very labor intensive to collect the data so, in 2015, the SCDOT Commission approved a new formula that was based solely on the 2010 Census population. Federal funds are provided to states with a matching requirement and typically, the ratio is eighty percent federal to twenty percent state or local matching funds. Guideshare funding in South Carolina consists of an eighty percent federal portion matched with a twenty percent portion of state funds.

Please refer to the chart in Appendix B that lists the annual guideshare funding that each MPO and COG receives. As part of the guideshare funding, TMAs also receive attributable funding which is a minimum funding level, by law, to achieve infrastructure improvements in those regions. Although the funding amount and distribution formula has changed over the years, there are several fundamental problems with both. First, and foremost, South Carolina will never receive the funding levels necessary to adequately address its transportation needs. SCDOT updates its Multimodal Transportation Plan every five years to reflect the latest information on travel and growth trends, goals and objectives, infrastructure conditions, future deficiencies, and funding. During the last update in 2014, the total needs for highways, bridges, and transit is estimated to be $70.45 billion over the next twenty years while the estimated revenue is estimated to be $27.63 billion over the same time period. This leaves a funding gap of $42.82 billion, or approximately $1.5 billion per year when annualized (Smith). With this in mind, the focus will hinge on how to best maximize the funding that is available, so the emphasis will be on the concerns regarding the distribution formula. One concern is that the non-TMA MPOs and COGs do not receive enough funding to address the congestion needs on the transportation system. For a planning-level estimate, it costs approximately ten million dollars per mile to widen a roadway from two lanes to five lanes (two travel lanes in each direction with a center, two-way left-hand turn lane). As most of the smaller MPOs and COGs receive less than this on an annual basis, it is difficult to address the capacity needs and these entities often use the funding for smaller projects such as intersection and safety improvements. Another concern is MPOs and COGs either saving their funds up over a period of time to be able to afford a multi-mile widening project or not fully programming the available guideshare funding. Appendix C shows guideshare carryover balances from 2009 and projected through 2022. When summed for all MPOs and COGs the balance can get quite sizeable as seen in the years 2011 through 2016 when the carryover is in excess of $200 million. The reason this is a problem is because SCDOT must meet its federal obligation limitation each year. In more simple terms, states are expected to obligate their entire federal allotment each year to address transportation needs or risk losing the unobligated balance. This in turn creates an accounting nightmare as the unobligated balance will have to be spent on other programs and projects, such as the interstate or bridge program. The following year those interstate or bridge program funds will then have to be sent back to the MPO and COG program in order for the various programs to balance. So, for these reasons, there are issues with the funding distribution formula.

2007 was an interesting year for the SCDOT as the General Assembly passed legislation to reform the Agency. In addition to the many structural and organizational changes, the Legislature included a provision to rank and prioritize projects. The provision states that

SCDOT must consider, at a minimum: financial viability; public safety; potential for economic development; traffic volume and congestion; truck traffic; the pavement quality index; environmental impact; alternative transportation solutions; and consistency with local land use plans when establishing project priority lists (General Assembly). Shortly after passage of the legislation, the SCDOT Planning Office, in consultation with its MPO and COG partners, developed a methodology for how this would be implemented. First, it was determined that not all projects can be adequately compared to one another so road widening projects would be ranked separately from intersection improvement projects and new construction projects. Second, each MPO and COG would rank and select projects for their own region. That way, projects would only compete for funding against projects within that same region. Third, a baseline weighting system was determined and agreed upon. For road widening projects, traffic volume and congestion receives thirty-five percent of the score, whether a project is located on a priority network (such as the National Highway System, Freight Network, or Strategic Corridor Network) receives twenty-five percent of the score, public safety receives ten percent of the score, economic development receives ten percent of the score, truck traffic receives ten percent of the score, financial viability receives five percent of the score, the pavement quality index receives three percent of the score, environmental impacts receives two percent of the score and alternative transportation solutions and consistency with local and use plans are considered but not scored in the ranking process. For intersection improvement projects, traffic volume and congestion receives twenty-five percent of the score, public safety receives twenty percent of the score, geometric/alignment status receives twenty percent of the score, truck traffic receives fifteen percent of the score, location on a priority network receives ten percent of the score, economic development receives eight percent of the score, environmental impacts receives two percent of the score and alternative transportation solutions and consistency with local land use plans are considered but not included in the scoring. For new construction or new-location projects, traffic volume and congestion receives forty percent of the score, economic development receives twenty percent of the score, environmental impacts receives fifteen percent of the score, connectivity to a priority network receives fifteen percent of the score, financial viability receives ten percent of the score, and alternative transportation solutions and consistency with local land use plans are considered but not included in the actual rankings (SCDOT). Thus far, this process has provided a transparent and reproducible process for identifying the transportation projects with the greatest need. However, there are a couple of barriers that prevent the process from being more efficient. First, allowing each MPO and COG to rank their own projects independently of one another does identify the most needed projects in each region but does not ensure the most needed projects are pursued on a statewide basis. Second, an MPO or COG can pursue a lower ranked project over a more needed project by providing written justification and receiving approval from the SCDOT Commission. Commonly, projects that receive supplemental funding such as that from a County Sales Tax Program can be advanced over a higher ranked project.

In an effort to explore other potential options, the SCDOT Planning Office produced a survey to solicit responses on how other state DOTs provide funding to local and regional government entities. The first question states, "Besides the attributable funds for TMAs, does your state DOT provide a recurring budget allocation of federal funding directly to MPOs and/or RPOs (Regional Planning Organizations) for the programming of projects? If so, please describe the process. Under a formula allocation process, does your state allow for a carryover balance from year to year? Does it require a local match to receive federal funds?" The second questions states, "If your state does not provide individual reoccurring distributions of federal funds, please briefly describe your process. What positives and negatives have you experienced as a part of your funding administration process?" The third, and final, question states, "Is your DOT considering any changes to your funding process with MPOs and/or RPOs as a result of federal performance/asset management requirements?" The survey responses were compiled and the full results are shown in Appendix D. Of the respondents, Minnesota, Wyoming, Texas, Illinois, Maine, Washington state, and Ohio provide an allocation of federal funds to MPOs and/or local governments. To summarize, Texas provides a state match to the federal funds, Maine provides some state funds with a local match requirement, and the remaining states require local matching funds to the federal funds that are allocated. In contrast, SCDOT provides a state match of the allocated federal funds to the MPOs and this could be an opportunity to reallocate state funds to other programs. Of the $138 million that SCDOT allocates to MPOs and COGs annually, $110.4 million is the federal portion (80%) and $27.6 million (20%) is the required matching portion. If SCDOT required a local match instead of providing a state match, that would free up $27.6 million annually that could be reallocated. Also, most Departments of Transportation do not allow unused funds to be carried over from one year to the next. Of those that do allow the carryover of funds, there are stipulations that keep the funds at a minimum. Maine states that account balances are kept as low as possible so that the money is put to work. Also, Ohio allows carryover funds but stipulates that thresholds must be met. This is another opportunity for South Carolina to potentially make a change that would not allow funds to be carried over from year to year or to minimized the carryover funding to ensure that, like Maine, the funding is being utilized and obligations limitations are met.

The final aspect of the guideshare funding assessment is the funding allocation formula itself. Ideally, to meet the greatest needs with the limited, available funding, the projects should be identified, prioritized, and funded on a statewide basis; however, there is a fundamental flaw with this approach that, until now, has not been discussed...politics. Currently, each MPO and COG will have multiple projects within their region but, from a statewide perspective, there is no guarantee of a geographically equitable distribution of projects. Politicians, MPO and COG partners, and the general public would subsequently perceive different areas of the state as having winners and losers, or those that receive projects and those that do not. To address this potential pitfall, dividing the state into an upstate, midlands, and coastal region would generate a more equitable distribution of projects. Utilizing Geographic Information System (GIS) mapping software, the SCDOT Mapping Office has aided in developing these regions and providing the populations breakdowns for each. For the proposed areas, the upstate region contains twenty-nine percent of the population, the midlands region contains thirty-three percent of the population, and the coastal region contains thirty-eight percent of the population. As a result, the existing $138 million would be allocated as: $39,819,000 to the upstate region, $45,975,883 to the midlands region, and $52,205,117 to the coastal region on an annual basis. This methodology would not only provide a more equitable project distribution throughout the state but would provide funding that would address larger sized and more regionally significant projects than the current funding system.

In summary, there are several amendments that would not only make the existing funding more efficient but address more transportation needs throughout the state. The first would be to reduce the funding distribution formula from twenty-one entities to three regions: upstate, midlands, and coastal. Also, by changing the reallocation formula, it would be advantageous to eliminate the carryover of unobligated guideshare funding each year. To follow the lead of other states, this would maximize the use of funds and be able to address the obligation limitation issue for SCDOT. Another aspect of the funding issue is the matter of twenty percent matching funds to the eighty percent portion of federal funds. The State of Maine DOT utilizes a mixture of fifteen percent state funding and five percent local funding to match the federal funds. This would be a good start to begin discussions with key stakeholders. As a starting point, SCDOT should propose ten percent state funds and ten percent local funds as the required math for the federal funds. Through recent years, more and more counties are passing local option sales taxes to generate funding for transportation improvement projects and a portion of this funding could be used as a local match. The final element of the equation is the project prioritization and ranking. As indicated earlier, state law has prescribed the criteria when considering highway improvement projects. Each MPO and COG is required, by law and SCDOT, to develop long-range transportation plans that identify transportation needs for the foreseeable, twenty year period. This proposal would have SCDOT compile projects from the MPO and COG programs and rank them, by upstate, midlands, and coastal regions. The top ranked projects for each regional would be considered for funding. Furthermore, justification for advancing lower ranked projects over higher ranked projects should be eliminated and only the top needs should be addressed with the limited, available funding. In general, this has been an accepted prioritization method by the legislature, SCDOT, MPOs and COG, and the general travelling public and should be continued in the future as it is transparent, data driven, and easily reproduced.

From this point forward, the next step would be to meet with the MPO and COG partners. This meeting has been set for February 21, 2017. At this meeting, SCDOT intends to present the proposal for consideration and discussion. The purpose of the meeting is to identify and develop potential modifications to the proposed plan to agree to a consensus plan that can be presented to SCDOT senior management for approval and recommendation to the SCDOT Commission for ultimate approval.

Works Cited

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SCDOT. "COG and MPO Project Ranking Process." *ED 60*. SCDOT, 20 Aug. 2015. Web. 4 Feb. 2017.

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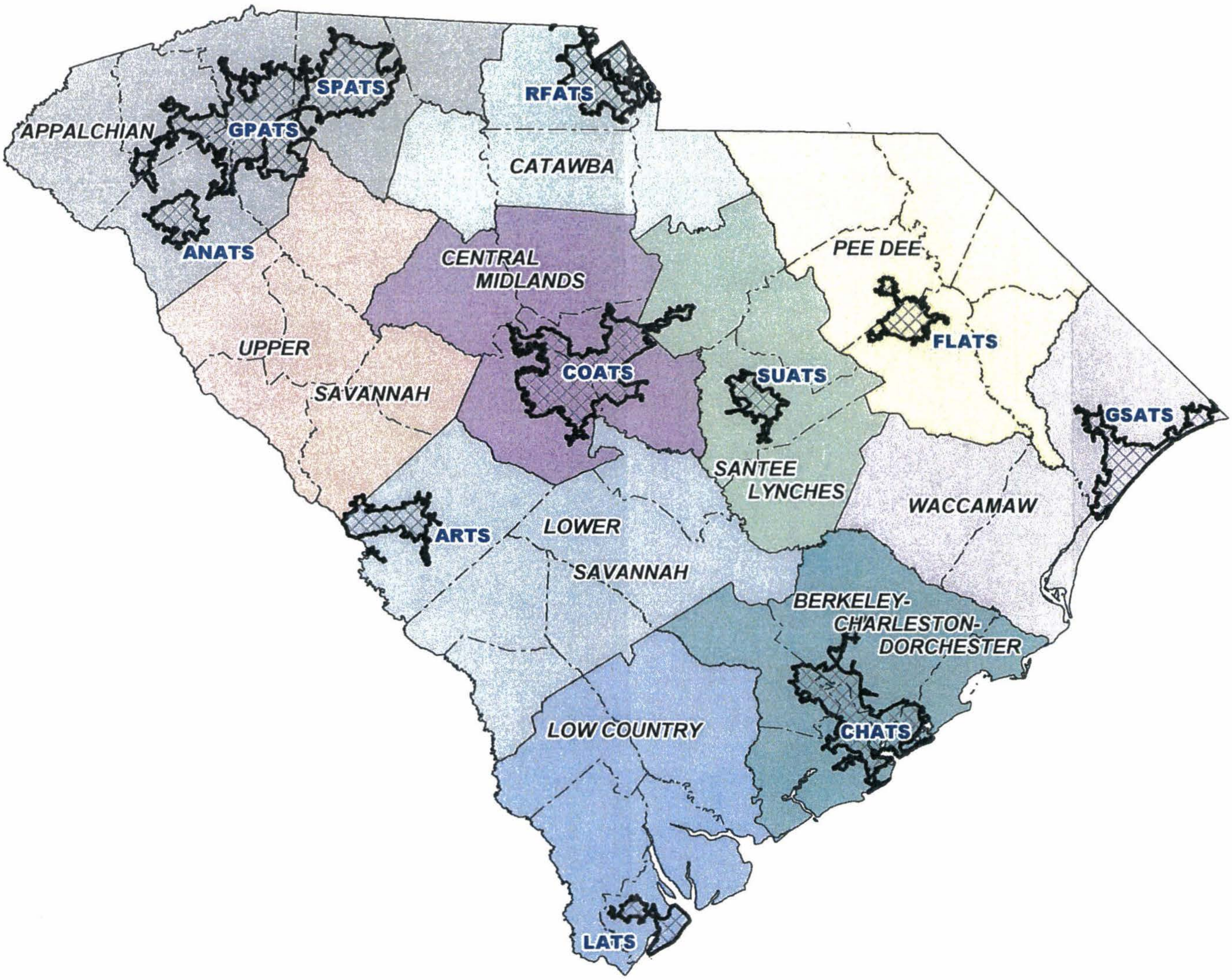
APPENDIX A


APPALCHIAN
GPATS
SPATS
RFATS
CATAWBA
ANATS
CENTRAL MIDLANDS
PEE DEE
FLATS
UPPER
SAVANNAH
COATS
SUATS
GSATS
SANTEE LYNCHES
WACCAMAW
ARTS
LOWER
SAVANNAH
BERKELEY-CHARLESTON-DORCHESTER
LOW COUNTRY
CHATS
LATS

APPENDIX B

GUIDESHARE SCENARIO SUMMARY
BASED ON PROPOSED FUNDING: $138,000,000

MPOs	SCENARIO
ANATS	$2,815,237
ARTS	$3,593,769
CHATS	$19,026,279
COATS	$19,199,714
FLATS	$3,107,082
GPATS	$18,077,921
GSATS	$7,599,944
RFATS	$6,035,144
SPATS	$6,376,359
SUATS	$2,536,368
LATS	$4,625,288
TOTAL URBAN GS:	**$92,993,104**
	67.39%

RURAL COGS	SCENARIO
APPALACHIAN	$7,579,497
BCD	$2,181,422
CATAWBA	$4,903,284
CENTRAL MIDLANDS	$2,883,809
LOWCOUNTRY	$2,688,118
LOWER SAVANNAH	$5,489,253
PEE DEE	$6,622,076
SANTEE-LYNCHES	$3,208,717
UPPER SAVANNAH	$6,263,156
WACCAMAW	$3,187,564
TOTAL RURAL GS:	**$45,006,896**
	32.61%

ENTER TOTAL SYSTEM UPGRADE FUNDS:
$138,000,000

BASED ON FOLLOWING WEIGHT FACTORS:
POPULATION **100%**

APPENDIX C

Guideshare Carryover Balances 2009 - 2022

Area	Carryover														09-'15		16-'22	
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total		Total	
ARTS	8,215	10,745	12,350	13,338	10,971	12,934	3,432	2,797	6,391	1,235	(3,371)	223	3,817	7,411	71,986	11	18,505	19
CHATS	5,987	28,003	30,684	38,309	38,786	22,669	28,807	15,929	17,186	10,749	7,825	18,368	33,404	51,508	193,245	1	154,969	1
COATS	(897)	3,868	11,211	15,362	20,088	8,530	16,455	22,711	17,833	4,444	2,011	8,812	9,908	27,824	74,616	10	93,546	2
GPATS	15,766	19,849	26,755	27,938	34,152	24,536	16,203	19,184	8,252	(4,483)	(905)	(42,379)	(26,708)	(9,050)	165,200	2	(56,088)	21
GSATS	9,198	10,462	14,285	13,666	13,491	10,366	7,795	6,646	8,871	7,721	8,771	9,871	14,471	22,071	79,263	8	78,423	6
RFATS	1,863	2,076	2,966	1,800	4,711	6,970	2,652	2,827	3,622	4,816	9,097	14,289	19,479	25,334	23,038	15	79,466	5
ANATS	3,252	8,632	2,152	2,550	2,971	2,912	2,425	4,620	770	887	2,721	1,948	4,123	6,938	24,894	14	22,010	16
FLATS	(5,713)	2,126	3,815	4,848	4,432	1,780	3,924	0	2,264	4,534	6,810	9,210	11,609	14,239	15,212	17	48,666	8
LATS							3,083	9,143	12,393	(3,340)	(57)	3,563	(819)	3,428	3,083	21	24,313	14
SPATS	(356)	10,444	11,801	1,182	1,550	4,768	8,307	6,501	6,226	7,516	6,512	3,406	2,653	5,435	37,696	13	38,246	11
SUATS	3,339	4,446	4,883	0	0	0	0	1,050	103	1,443	1,995	3,793	5,589	7,844	12,668	19	21,814	18
Appalachian	(3,024)	0	0	457	3,241	4,911	11,336	14,964	13,794	9,921	8,095	8,714	7,428	9,507	16,920	16	72,426	7
BCD	0	0	(0)	841	2,005	2,604	4,034	6,541	(2,886)	(705)	1,476	3,657	5,838	8,019	9,484	20	21,941	17
Catawba	(3,880)	2,437	4,869	7,746	8,620	12,219	7,482	9,120	4,648	2,062	1,908	2,122	1,571	5,183	39,493	12	26,617	13
Central Midlands	10,237	13,044	12,958	17,270	20,896	11,850	15,219	12,771	11,065	9,949	9,333	12,217	15,101	17,985	101,473	5	88,419	3
Lowcountry	2,903	6,859	13,351	19,105	25,794	29,836	27,233	12,328	14,363	(17,100)	(14,561)	(11,985)	(9,409)	(7,141)	125,081	3	(33,504)	20
Lower Savannah	3,306	6,783	15,680	22,744	13,096	16,196	12,449	12,531	14,067	7,471	(5,177)	(6,264)	(2,228)	2,491	90,255	6	22,888	15
Pee Dee	10,119	7,610	11,950	18,799	16,296	10,269	12,864	14,980	14,724	9,109	6,421	7,309	12,494	18,849	87,907	7	83,888	4
Santee Lynches	6,173	9,439	12,556	17,200	21,502	23,803	20,479	11,268	4,604	7,192	9,781	7,408	1,034	3,730	111,151	4	45,016	10
Upper Savannah	(10,977)	0	4,335	9,101	8,136	3,349	0	0	4,334	8,687	13,058	(3,201)	1,538	6,969	13,944	18	31,385	12
Waccamaw	2,719	7,518	7,998	10,995	13,755	15,723	17,863	18,991	18,839	18,542	8,599	(810)	(10,219)	(7,470)	76,572	9	46,470	9

TMA Total	40,133	75,002	98,251	110,414	122,199	86,005	75,344	70,095	62,156	24,483	23,429	9,185	54,372	125,099
Non-TMA Total	522	25,649	22,650	8,580	8,953	9,460	17,739	21,314	21,756	11,040	17,981	21,920	23,155	37,884
COG Total	17,575	53,690	83,696	124,259	133,340	130,761	128,959	113,494	97,552	55,128	38,933	19,167	23,148	58,122
Statewide	58,230	154,341	204,598	243,253	264,492	226,227	222,042	204,903	181,464	90,651	80,344	50,273	100,676	221,106

APPENDIX D

DOT Survey Responses

Agency	Question #1	Question #2	Question #3
	Besides the Attributable Funds for TMAs, does your state DOT provide a reoccurring budget allocation of federal funding directly to MPOs and/or RPOs for the programming of projects? If so, please describe the process. Under a formula allocation process, does your state allow for a carryover balance from year to year? Does it require a local match to receive federal funds?	If your state does not provide individual reoccurring distributions of federal funds, please briefly describe your process. What positives and negatives have you experienced as a part of your funding administration process?	Is your DOT considering any changes to your funding process with MPOs and/or RPOs as a result of federal performance/asset management requirements?
Minnesota	Yes/no. MnDOT does not provide any funds to RPOs for the programming of projects. For MPOs, it varies within the state. STP-local funds are allocated by formula to Area Transportation Partnerships (ATPs). The ATPs were originally formed in response to ISTEA. There are eight ATPs in Minnesota. While the size of the ATPs varies, all ATPs include representatives from county engineers, state-aid cities (those with a population of 5,000 or more), tribal governments, transit agencies, MPOs and RDOs. Some ATPs have chosen to suballocate the STP-local funds to the MPO located within the ATP. One ATP has also chosen to suballocate the STP-local funds to the RDOs within the ATP region (though the RDO does not program the projects – it's simply to ensure each region (RDO or MPO) of the ATP receives from funding. Carryover is not allowed. The funds require a local match.	For the ATPs that do not suballocate funds to the MPOs, each ATP has developed specific solicitation criteria for the STP-local funds. There are separate solicitation processes for county projects and city (those with a population of 5,000 or more) projects. (Cities with a population of less than 5,000 are included with the counties.) If a suballocation would be provided to the MPOs in some regions, the funding level provided would be minimal. Projects would either be small or the MPO would need to coordinate with the ATP to allow the funds to "build up" for a larger project. Since carryover is not allowed, it require agreement with the other ATP partners that for a specific year a larger portion of funds would be allocated to the MPO in exchange for several years in which the MPO funds were used by the other partners. While it is difficult to justify a suballocation for the smaller MPOs, not having a dedicated source of funding makes identifying fiscal constraint within the MPO's MTP difficult.	Not at this time.
Wyoming	Wyoming splits about 2.5% of the federal funds and distributes them to communities greater than 5,000 by population. This means the MPO's get about a $1 million per year, and the least get about $100,000. Since the dollars are so low, the community nearly always has to save up multiple years to get enough money for a project. We demand a planning process that is advertised and projects selected by a mix of city, county, state, transit, and citizen committees. The communities have to provide the match. WYDOT is responsible for our roads (interstate, arterials, etc) so the funds go to other collectors and above owned by the city or county.		We currently are not considering changing the funding splits. However, we are trying the process to remove some of the principle arterials from the NHS to remove the reporting and target setting tied to those city streets.
Arkansas	No	The only MPOs that receive recurring distributions of Federal funds are the TMAs (STBGP GT 200k and TAP) and the air quality non-attainment areas (CMAQ). Other than these two sources of Federal funds that are required to be passed through to the appropriate MPOs, AHTD allows the use of Federal funds for intersection improvements and off system bridges. However, local jurisdictions must apply for these funds. The positive is that our limited funding can focus on the State Highway System where the identified needs greatly exceed the anticipated funding. In Arkansas, the State Highway System constitutes 16% of all public roadway mileage; however carries 75% of all travels and 95% of all heavy truck traffic. The negative is that no recurring funding distribution exists for funds other than previously mentioned sources, therefore no local control over how and where the funds should be spent.	No. Majority of our NHS mileages are on the state highway system.
Vermont	No, not for projects only for Planning (SPR) funds.	We do not do any geographic based allocations of project funding. Instead we use an asset management based approach to project prioritization by program area (e.g. structures (interstate, state &local), roadway, traffic &safety, etc.). It's taken some time to gain buy in from our Legislative leaders and general public but it has garnered a high level of support. Annually the MPO and RPO's are afforded an opportunity to influence between 15-20% (depending upon program area) of the overall project prioritization score for each project currently in our system. As resources become available the DOT selects projects from the project prioritization list. Our program is still very DOT centric so we have a fairly level of control over the inputs and outcomes – so the administration process is pretty straight forward.	Currently no – but we've just begun the process of discussing the federal performance requirements and target setting.

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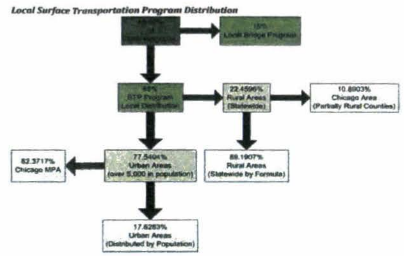
Agency	Question #1	Question #2	Question #3
	Besides the Attributable Funds for TMAs, does your state DOT provide a reoccurring budget allocation of federal funding directly to MPOs and/or RPOs for the programming of projects? If so, please describe the process. Under a formula allocation process, does your state allow for a carryover balance from year to year? Does it require a local match to receive federal funds?	If your state does not provide individual reoccurring distributions of federal funds, please briefly describe your process. What positives and negatives have you experienced as a part of your funding administration process?	Is your DOT considering any changes to your funding process with MPOs and/or RPOs as a result of federal performance/asset management requirements?
Georgia	No, we do not. Also, we do not have RPOs in Georgia.	In Georgia, only the STP Urban/Attributable funds (Z230), as required under federal law, are provided to the TMAs on an annual basis, at a predetermined rate. All remaining funds (including STP Statewide-Z240, and NHPP-Z001) are distributed based solely on project needs and funding availability. Setting the work program (STIP) is the responsibility of the Director of Planning and his staff, all of which are located in our central office. As the STIP is developed, project needs, along with a review of the ability to deliver a particular project phase is reviewed. Based on this review, specific funding categories are assigned to specific project phases. While development of the STIP is led by central office staff, we do get input from throughout the Department, which includes a review by our Program Delivery Office and our District Engineers (Georgia is divided into 7 field districts, which are very familiar with local needs, in addition to our central office in Atlanta). We also received input from our Office of Financial Management, on funding availability. The biggest positive of this approach is that it ensures all funds are allocated across the state in an approach which is equal-reviewing needs and project deliverability and then allocating the funds as best we can.	No, we are not considering to change our funding approach.
Kansas	No, we do not provide a reoccurring allocation of dollars to MPOs outside of the traditional TMA structure (STP, TA, CMAQ) . In addition, we do not have RPOs.	The process we undertake for the delivery of funds is supported by what we call local consult. Local consult consists of KDOT staff traveling throughout the state every 2 years to gather feedback from the locals on their priority projects. These discussions include all modal projects and highway projects. In regard to the MPO process, we ask the MPOs to facilitate a discussion with its committees to develop a prioritized list of projects that the region generally agrees on. This list of projects becomes a large portion of the discussion during the local consult process in regions with an MPO. The information gathered during these stakeholder meetings allows us to make more informed decisions when it comes to managing our current and developing our next transportation program.	At this point, there is no intention of making dramatic changes to our funding structure.
Texas	Funding is distributed through 12 Categories, of which 3 (TAP, STP-MM, and CMAQ) are 100% federal pots distributed directly to MPOs. The remaining categories are a mix of state and federal funding. Of these, our Cat 2 is a formula allocation to the MPOs. We are currently working with the MPOs to assess the current formula (which was established in 2003). The funding distribution is currently is state code and any changes will require going through a rule making process. As the formula stands today, the formula is split 87% to TMAs and 13% to non-TMAs. The TMA distribution is based on population (17%), % of population below poverty (7%), number of fatal/incapacitating crashed (7%), total VMT, on and off-system (30%), on-system lane miles (10%), on-system truck VMT (14%), and congested VMT (15%). The non TMA distribution is based on population (25%), % of population below poverty (4%), number of fatal/incapacitating crashed (10%), total VMT, on and off-system (20%), on-system lane miles (8%), on-system truck VMT (15%), centerline miles (8%) and congested VMT (110%). Yes, carryover is allowed. State matches federal funds except for projects that are off-system.		Yes

DOT Survey Responses

Agency	Question #1	Question #2	Question #3
	Besides the Attributable Funds for TMAs, does your state DOT provide a reoccurring budget allocation of federal funding directly to MPOs and/or RPOs for the programming of projects? If so, please describe the process. Under a formula allocation process, does your state allow for a carryover balance from year to year? Does it require a local match to receive federal funds?	If your state does not provide individual reoccurring distributions of federal funds, please briefly describe your process. What positives and negatives have you experienced as a part of your funding administration process?	Is your DOT considering any changes to your funding process with MPOs and/or RPOs as a result of federal performance/asset management requirements?
Illinois	In the early 1990's, the State of Illinois, the Illinois Association of County Engineers, the Illinois Municipal League (IML) and the MPOs of Illinois agreed to distributed 18.92 percent of the combined dollar amount for all the core federal programs (STP, HSIP, NHPP, TAP, NHFP) for Illinois. This formula guarantees that no matter the federal funding splits of STP, the state and local jurisdictions will receive a consistent share of funding. Since SAFETEA-LU (records available), the 18.92% agreement has exceeded the required distribution in authorization acts. IDOT sets aside 15 percent of the 18.92 percent of core program funding for the local bridge program (STP-Bridge). The remaining amount is split between urban and rural areas; 77.54 percent goes to urban areas with populations over 5,000 and 22.46 percent goes to rural areas. The Chicago Metropolitan Agency for Planning (CMAP) receives 82.37 percent of the urban portion and 10.80 percent of the rural portion. The remaining urban area funds are distributed to the other urban areas in Illinois based on the most recent census populations. The remaining rural area funds are distributed to the counties in IDOT Districts 2 through 9 via a designated funding formula. That funding formula equally divides ten percent of the funds for distribution to each county; the remaining 90 percent is distributed based on three equal factors: 1) non-urban area, 2) non-urban population, and 3) non-urban mileage (total all systems). The balance does carry over from year to year. The federally required local match is set. IDOT does not restrict project type eligibility, match requirements, or phase eligibility.		
Maine	**MPOs:** MaineDOT provides a capital allocation to our state's four MPOs based on a state-defined formula, which considers a weighted combination of non-interstate lane miles, VMT and population. (PL funds are distributed on a similar basis.) The capital allocations are 80% STP and 15% state, with the remainder of non-federal match (5%) being the responsibility of the MPO and its member communities. Eligible projects include construction/reconstruction, intersection, bike-ped and multimodal projects, while the department takes responsibility for preservation paving on 'built' arterials. These capital allocations have existed for decades. Many, if not most of these construction projects are ultimately administered by our department, and internally, there is a sense that having the MPOs involved in programming and project selection carries with it the inefficiencies inherent in an added layer of oversight. In recent years, we have maintained status quo funding for the overall allocation and the split among the MPOs; and recently, we have challenged the MPOs to bring good project candidates to the table that we will consider funding beyond the allocated amounts. We require the MPOs to program the allocated amounts and we rigorously prosecute spending the money (this hasn't always been the case.) Leftover funding commitments, if any, are placed in each MPOs "holding" account. Again, we're vigilant to keep those account balances as low as possible so as to ensure the money is put to work, so we don't see 'carryover amounts,' per se. While we haven't rescinded allocations so far, we are ready to do that if money isn't used. We have also increased oversight to ensure projects are well-scoped, properly estimated and include all appropriate considerations (ROW, permitting, etc.) With respect to PL funds, we distribute those funds to support two-year UPWPs, and by policy we do not permit carryovers from one year to the next unless there are extenuating circumstances. **RPOs**: MaineDOT does not provide capital allocations to our state's 11 RPOs. We do provide a small base allocation for planning activities. The amounts for these allocations have been substantially reduced in the last two years, in favor of planning project-specific awards for work specified by the department, which results in a range in the amounts of funding expenditures across the 11 RPOs.	N/A	The reforms that we've implemented or are contemplating in distribution of funding in MPO and RPO jurisdictions are being driven more by MaineDOT's ongoing pursuit of efficient asset management than by recent federal performance measurement and asset management requirements, per se. We've identified some discrepancies between customer service levels on MPO-area road systems and the overall statewide network, and will be attempting to bring performance on those respective systems into better alignment as measurement processes mature. Again, our primary focuses with respect to MPO project programming are good scopes, estimates and efficiencies for projects that provide real benefit to the transportation system. Meanwhile, we're continuing our quest to ensure planning value in exchange for the money that we provide to both MPOs and RPOs to deliver support for planning activities in both metropolitan and non-metropolitan areas. We may revisit our MPO distribution formulas at some point, but to date we have not addressed how that would integrate with performance measurement.

DOT Survey Responses			
	Question #1	**Question #2**	**Question #3**
Agency	**Besides the Attributable Funds for TMAs, does your state DOT provide a reoccurring budget allocation of federal funding directly to MPOs and/or RPOs for the programming of projects? If so, please describe the process. Under a formula allocation process, does your state allow for a carryover balance from year to year? Does it require a local match to receive federal funds?**	**If your state does not provide individual reoccurring distributions of federal funds, please briefly describe your process. What positives and negatives have you experienced as a part of your funding administration process?**	**Is your DOT considering any changes to your funding process with MPOs and/or RPOs as a result of federal performance/asset management requirements?**
Washington	http://www.wsdot.wa.gov/LocalPrograms/ProgramMgmt/funding.htm, we describe the various federal programs that are available to local agencies. The decision on the programs and funding available is based upon recommendations from a work group to the Governor. STBG, CMAQ & TAP are allocated to the MPOs, RTPOs and county lead agencies based on 2010 census data, coordinated agreement, etc. for programming by these respective organizations. Local agency projects prioritized and selected through the regional processes are required to provide the corresponding local match for the funding. To ensure delivery of the local federal program – WSDOT Local Programs and the MPO developed the OA (Obligation Authority) Policy as a way to monitor and ensure delivery each year of the local federal program. This policy held all entities responsible for programming and delivery within their area and enabled the MPOs the responsibility to get project proponents to the table to adequately explain their projects and address any delays or issues that they were encountering. Policy is available at: http://www.wsdot.wa.gov/NR/rdonlyres/EAB2B9F5-F969-4799-A9AF-3D939D96565D/0/FFY2015OAPolicy.pdf	Prior to establishing the OA policy it was more or less a 'gentleman's agreement' that the locals would just deliver their proportionate share. After several discussions with MPOs they were programming the projects but not really involved in tracking the delivery of their specific projects. Involving the MPOs in this aspect of the process additional accountability and transparency of the projects with local agency peers has been beneficial to all involved. It has allowed local agencies to support each other by explaining issues that have arisen and sharing best practices on how best to address these issues. Also, it has provided the opportunity for some projects to move forward to assist in delivering the OA, due to delays by others.	With the passage of FAST, the Governor's office established a work group to address the funding program changes and review suggested changes to the distribution of the funds. The recommendations include the establishment of an asset management-based competitive grant program for projects on the NHS from a proportion of the NHPP funds. WSDOT is currently putting together a work group to determine the criteria, etc. for this new program.
South Dakota	The SDDOT does not have any TMAs or RPOs and does not allocate construction funding directly to the MPOs. The state distributes State funding to Class 1 Cities and Counties based on a formula and is updated after the decennial census. The State distributes the funding every year by issuing a check to the entities. They are required to use the funding for transportation projects. We issue state funds based on the federal allocation. The distribution is around 4.5% for Class 1 Cities and 5% for the Counties of the federal allocation and is then distributed based on a formula. The only way they can carry funding over is if they have a project tied to a state project. We usually use federal funding for these projects and allow the local entities to carry over their funding allocation. No, the state pays the match.	The SDDOT allocates funding to all Class 1 cities based on a formula. The amount distributed to the locals is based on the amount of federal funding we receive. The formula is updated after every decennial census. The distribution is around 4.5% for Class 1 Cities and 5% for the Counties of the federal allocation. The entities are paid with State dollars every year unless they have a federally funded project tied to a state project. This usually only occurs in the MPO areas where there are larger projects being completed. The locals are allowed to bank their allocation for the projects tied to a state project otherwise banking is not allowed and a check is sent to the entity for their yearly allocation. The locals chose the projects based on the LRTP needs and move the projects forward into the TIP. The Class 1 Cities are given a State check for their allocation every year to be used on transportation projects unless the project is tied to a state project, then federal funding is used. By using State funds, the locals can expedite their projects because federal funding rules don't have to be adhered to and they can do transportation projects that would not otherwise be federal aid eligible.	Not at this time.

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Ohio	Yes, ODOT provides STP, CMAQ, and TA annual capital budget allocations to each of Ohio's 17 MPOs – 8 TMAs & 9 nonTMAs. All MPOs receive STP and TA allocations and MPOs in USDOT air quality areas receive CMAQ allocations. Four small MPOs return their TA allocations to participate in the statewide TA process. The nonTMA MPOs' TA project selections are consistent with the state competitive selection process. Note, the TMA STP and TA budget allocations exceed the US DOT attributable amounts. STP and TA Budgets are distributed proportionate to MPO area urbanized population percentages. CMAQ budget distributions are proportionate to MPO area air quality area population percentages. Local match is required, excepting 23 USC 120(c) projects. ODOT also makes Toll Revenue Credits available to the MPO capital programs. Carry over is a component of the program such that MPOs do not exceed the following thresholds: for budgets > $3m carry over amount are not to exceed 25% of original FY budgets; for budgets < $3m carry over amount are not to exceed 50% of original FY budgets. ODOT does not provide capital budgets to RTPOs. However, ODOT does provide STP budgets to 5 large cities, with populations between 25,000 and 50,000 outside of MPOs. A number of these cities are in RTPO areas.		